

**STUDY OF CIA REPORTING ON
CHINESE COMMUNIST INTERVENTION
IN THE KOREAN WAR
SEPTEMBER - DECEMBER 1950**

PREPARED BY
CIA HISTORICAL STAFF
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PROBLEM

To make a historical survey of CIA's record in estimating and reporting on the probability of Chinese Communist intervention in the Korean War.

SCOPE

This study considers CIA written intelligence furnished between September 1 and December 1, 1950 to the President and his principal advisers on military and diplomatic policy.

These publications were in two forms: (1) estimates and quasi-estimates (ORE's; NIE's; SE's; IM's; the Review of the World Situation; and various memoranda to the Director) and (2) current intelligence (the Daily Summary; the Weekly Summary; and the Daily Korean Summary). (See Appendix B for explanation of these titles.)

As a matter of interest, germane to this study, there is added an analysis of the public controversy that broke out in 1951 over the issue of Chinese Communist intervention. This was taken from the press and other public sources. It is limited to comments bearing upon CIA and IAC intelligence having to do with intervention. (See Exhibit S.)

CONCLUSIONS

1. During the period discussed, CIA was at all times aware of the threat of Chinese Communist intervention.

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2. CIA reports and estimates left no doubt, during the period discussed, of a Chinese Communist (and Soviet) capability to intervene at any time with powerful or decisive force.

3. Indications that can now be seen to disclose an intention to intervene were frequently misinterpreted by CIA.

4. The principal reason for these misinterpretations was a failure to gauge Chinese Communist and, more particularly, Soviet strategy with respect to the Korean War accurately in the context of the world situation.

5. Although those responsible for United States strategy in the Korean War during September to December 1950 were made fully aware by CIA that Communist China represented a grave potential danger to the UN cause, the tenor of CIA reporting was such as to suggest that the danger would not materialize.

BACKGROUND

(1) Most of the intelligence cited in this study was "uncoordinated" and therefore represented the views of CIA only, though based on information received from all agencies. This was not, however, normal procedure for CIA before 1951. It is explainable for this period in terms of (a) the urgency of demands for intelligence on Korea, which often did not permit time for coordination, and (b) the circumstances outlined in (2) below.

(2) During the period in question, the organization in CIA for furnishing "national" intelligence was in a transitional stage. It was reorganized in October 1949 in answer to the Dulles Report and again in

July 1950 as a result of demands for intelligence created by the Korean War. On November 13 an even more complete reorganization took place in conjunction with the arrival of a new administration for CIA.

In consequence of these changes, responsibility for CIA estimates on the Korean situation between July and October fell upon a somewhat hastily contrived "Special Staff" within the Office of Reports and Estimates; while after November 13, it was carried by the newly created Office of National Estimates. By October 12, furthermore, General Smith had begun signing estimates transmitted to the President, indicating that the new administration had taken charge and responsibility for estimates a month before the official organization of the Office of National Estimates.

(3) The course of events in the Korean War clearly affected the nature of intelligence estimates. During the first period (June 25 to mid-September) success of the North Koreans alone was such as to make Chinese Communist intervention seem unlikely because unnecessary. During the second period (mid-September to late November) the North Koreans were routed and ultimate victory seemed assured. When Chinese/Soviet forces did not intervene (a) at Inchon (September 15); (b) at the crossing of the 38th Parallel (October 7); or (c) at the moment when UN forces reached the Yalu (November 1), CIA appeared to adopt the assumption that they would not do so at all.

(4) The 1950 CIA estimates, when read in 1955, seem ambiguous. They frequently speak of Chinese Communist intervention through the use of "volunteers" or "Manchurian volunteers;" and this was, of course, the

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guise under which the Chinese Communist army actually did conduct its campaigns in the Korean War. It seems clear, however, from the estimates discussed below, that these terms were not used at the time with quite this possibility in mind. The estimators apparently thought of Chinese "volunteers" (who were present all through the war) as relatively unimportant additions to regular North Korean forces. There is no evidence that the estimators exactly foresaw Chinese Communist employment of full-scale military forces under the tacitly-accepted fiction that they were "volunteers" not under direct Chinese Communist control.

The failure to perceive this possibility probably to some extent explains the persistent assumption in the estimates that the Chinese Communists could not take a decisive part in the war without inevitably leading themselves and the Russians into a world conflict.

DISCUSSION

1. When the Chinese Civil War ended at the close of 1949, the Communists had some 2,017,000 men under arms with another two million in reserve. (See Exhibit A, CRE 45-49, June 16, 1949.) Many of these troops were then, and remained, concentrated along the Korean border. During 1950, Communist armies also reached the area opposite Taiwan and moved south to the borders of Hongkong and Indochina-Burma. It was evident, therefore, from 1949 onward, that all these areas were faced with a new threat. This was quickly recognized by CIA. (Exhibit A is one example.)

2. The beginning of the Korean War was seen by Central Intelligence as strictly a Soviet move in terms of world strategy. Such an analysis

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seemed irrefutable in terms of the well recognized fact that the North Korean government existed only by virtue of Soviet support and was completely subject to Soviet influence.

3. Consequently, estimates concerned with the Korean situation immediately after June 25 were written in terms of Soviet motives and intentions. (See Exhibit B, IM-300, June 28, 1950.) It was recognized, nevertheless (on the assumption that the USSR was using a method of attrition against the United States in prolonging US involvement in the war), that Chinese Communist troops might be employed "either covertly or overtly." (See Exhibit C, IM-302, July 8, 1950.)

4. Meanwhile, however, in view of the US situation in Asia, and the military strength and disposition on the Asiatic mainland of both Communist China and the USSR, the possibility had always to be taken into account that the Korean War might be in the nature of a diversionary move. The principal fears in this regard were directed toward Taiwan and Japan with secondary emphasis on Indochina, Burma and Hongkong-Macao.

5. Fears for Taiwan were reinforced by the tenor of Chinese Communist propaganda, Chinese Communist military dispositions, and the consequences of final overthrow of the Chinese Nationalists. In spite of the apparent difficulties involved for the Communists in attacking Japan, American leaders in Japan in 1950 feared for its safety because of preponderant Communist strength in the area and the weakening of the islands incident to the Korean campaign.

6. Numerous estimates were written with reference to all these possible Soviet-inspired moves. (See Appendix C.) Taken together, they

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represented an alternative that tended to distract attention from the more direct use of Chinese Communist forces in the Korean War itself.

7. As early as July 19, 1950, CIA gave special notice to the possibility of Chinese Communist intervention in these statements: "Chinese Communist troops can be brought into action covertly and, if necessary, openly;" and "It is not yet clear whether the USSR will force the Chinese Communists to give open military support to the Korean operations or to start a new operation elsewhere in the area. The Peiping regime almost certainly would comply with a Soviet request for military action." (See Exhibit D, CIA 7-50, July 19, 1950.)

8. On August 17, CIA again discussed the possibility, but in an entirely different context. In this case, the discussion was of the desirability of extending the Korean War into a military conquest of the whole peninsula. In enumerating the preponderance of adverse considerations for such a plan, CIA said, among other things, " ... the invading forces might become involved in hostilities with the Chinese Communists. As it became apparent that the North Koreans were being defeated in South Korea, the Chinese might well take up defensive positions north of the 38th Parallel. The USSR might use Chinese Communist troops at any stage in the fighting, but their participation would be especially useful at the 38th Parallel where UN members could legally discontinue their support of the US policy." (See Exhibit E, "Memorandum" of August 17, 1950.)

9. On August 16, under the title, "Implications of a Military Advance in Korea beyond the 38th Parallel," CIA seems further to have

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discussed the factors affecting a decision to cross or not to cross the 38th Parallel. This was a memorandum, probably to the Director, prepared by the "Special Staff" of the Office of Reports and Estimates. It could not be found, however, in connection with this study.

10. On September 8, a week before the Inchon landings, CIA directly discussed the "Probability of Direct Chinese Communist Intervention in Korea." (See Exhibit F, IM-324, of September 8, 1950.) This estimate spoke of some 400,000 Chinese Communist troops near or moving toward the Korean border and stated: "It is clear that intervention in Korea is well within immediate Chinese Communist capabilities." It further reported that: (a) military construction had been observed along the Yalu, (b) Chinese Communist aircraft had arrived in the same area; (c) recent Communist propaganda "may be stage-setting for an imminent overt move"; and (d) replacements must be supplied to the North Koreans if they were "to achieve complete control over South Korea before the end of the year."

The estimate of September 8 concluded, however: "In view of the momentous repercussions from such an overt action ... it appears more probable that the Chinese Communist participation in the Korean conflict will be more indirect, although significant, and will be limited to integrating into the North Korean forces 'Manchurian volunteers', perhaps including air units as well as ground forces."

11. On September 20, CIA again took up this theme:

"The concentration of Chinese Communist troops near the Korean border in Manchuria constitutes a powerful secondary

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reserve for the North Korean forces, which, if Moscow and Peiping should agree on it despite the attendant risks, could enter the battle and materially change its course at any time.

"It is doubtful that either Soviet or Chinese Communist forces will be committed south of the 38th parallel. Moscow and Peiping are much more likely to aid the Communist cause in Korea by releasing large numbers of trained Chinese Communist (Manchurian 'volunteer') units, perhaps including small air units, for incorporation in the North Korean forces." (See Exhibit G, CIA 9-50, September 20, 1950.)

12. On October 12, 1950, three days before President Truman's conference with General MacArthur on Wake Island and five days after the UN decision to cross the 38th Parallel as well as five days after a new administration had taken control of the Agency, CIA gave what might be termed its most official view to date on the subject of intervention, in that the estimate had the concurrence of all members of the IAC. On this date, reporting directly to the President, CIA said:

"The Chinese Communist ground forces, currently lacking requisite air and naval support, are capable of intervening effectively, but not necessarily decisively, in the Korean conflict. There are no convincing indications of an actual Chinese Communist intention to resort to full-scale intervention in Korea. After reviewing the factors favoring, and those opposing, Chinese Communist intervention, it is concluded that while full-scale Chinese Communist intervention in Korea

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must be regarded as a continuing possibility, a consideration of all known factors leads to the conclusion that barring a Soviet decision for global war, such action is not probable in 1950. During this period, intervention will probably be confined to continued covert assistance to the North Koreans." (See Exhibit H, CRE 58-50, October 12, 1950.)

Because this conclusion was made to depend on an assumption that the USSR did not wish to become involved in global war, this assumption is bolstered with an elaborate discussion of Soviet intentions from the IAC point of view. Primarily on the basis of this assumption, the estimators discounted Manchurian troop movements, Chou En-lai's threats, factors enumerated by themselves said to favor intervention from the Communist point of view and various other indicators. (See, for example, Exhibits O, P, Q, and R.)

The estimate of October 12 might be considered crucial in terms of the time of publication (the Chinese Communists had apparently not reacted to the crossing of the 38th Parallel), and the fully official nature of the statement. Thereafter, CIA could not very well make a contrary statement unless this one was revised.

13. On October 18, the day before the UN capture of Pyongyang, CIA wrote optimistically that, "The Soviet Korean venture has ended in failure." Consequently, it appeared that the Communists would accept this failure by aiding the North Koreans to hold on as long as possible and then to turn to harassing guerrilla warfare.

Chinese Communist capabilities were noted again, together with

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the fact that "Forty to sixty thousand Chinese-trained Communist troops have, in fact, already been fighting in the North Korean army." It was "becoming less and less likely," however, that Chinese Communist troops would enter the war "openly." The estimate about Soviet intentions toward global war is repeated in support of the statement. (See Exhibit I, CIA 10-50, October 18, 1950.)

14. CIA's statements of October 18 must have been questioned, for on November 1, the Director of Central Intelligence signed an apparently uncoordinated "Memorandum for the President" on the subject: "Chinese Communist Intervention in Korea." This memorandum admitted that "between 15,000 and 20,000 Chinese Communist troops, organized in task force units, are operating in North Korea while the parent units remain in Manchuria." Largely on the basis of current Chinese Communist propaganda regarding protection of the Suiho Hydroelectric Zone, however, the memorandum concluded that: "Although the possibility cannot be excluded that the Chinese Communists, under Soviet direction, are committing themselves to full-scale intervention in Korea, their main motivation at present appears to be to establish in Korea a limited 'cordon sanitaire' south of the Yalu River." The emphasis of the memorandum was on the Sino-Soviet desire to protect the Suiho hydroelectric system. Their strategy, the memorandum noted: "would also be in line with the general desire to further international Communism by helping the North Koreans prolong their resistance." (See Exhibit J, Memorandum for the President, of 1 November 1950.)

15. On November 6, at least four days after signs of actual intervention had been observed elsewhere than in CIA (see Appendix A), CIA,

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in a fully concurred National Intelligence Estimate, stated that the Chinese Communists had the capability of (a) halting further UN advance northward, "through piecemeal commitment of troops"; or (b) "forcing UN withdrawal to defensive positions farther south by a powerful assault."

The estimate seemed inclined to the opinion, however, that the situation would be stabilized for the winter as both sides built up forces. It pointed out that (a) the situation was filled with risks of world conflict; (b) the Chinese realized the danger of retaliation; and (c) they would enter Korea in full force if their territory were attacked. (See Exhibit K, NIE-2, November 6, 1950.)

16. By November 15, CIA was conceding intervention by implication at least, but interpreted it in terms of a Soviet decision to accept the risk of global war, which CIA still considered improbable. Hence, the inference was left that intervention would not reach dangerous proportions. (See Exhibits L and M; NIE 3 and CIA 11-50 November 15, 1950.)

17. On November 24, two days before the Chinese Communist-North Korean offensive was begun, which one month later had driven UN forces from the Yalu to positions south of the 38th Parallel, CIA estimated that the enemy would: "... simultaneously: (a) Maintain Chinese-North Korean holding operations in North Korea; (b) Maintain or increase their military strength in Manchuria; and (c) Seek to obtain UN withdrawal from Korea by intimidation and diplomatic means." The estimate added that: "Eventually they may undertake operations designed to bring about the withdrawal of UN forces from Korea. It is estimated that they do not have the military

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capability of driving the UN forces from the peninsula, but that they do have the capability of forcing them to withdraw to defensive positions for prolonged and inconclusive operations, which, the Communists might calculate, would lead to eventual UN withdrawal from Korea." (See Exhibit N, NIE 2/1, November 24, 1950.)

18. In addition to CIA's several formal estimates and evaluations on Korea between July and November 1950, CIA reported some 40 items of current intelligence bearing on the capabilities and intentions of Communist China in Korea. These items appeared in its two regular bulletins -- most of them in the CIA Daily Summary, but significant other items exclusively in the CIA Weekly Summary. Most of these current reports were quoted from IAC agency non-clandestine sources and most of them were followed by CIA comments, usually phrased in estimative language. These comments, which, of course, were not coordinated with the IAC agencies, were nevertheless not inconsistent with the formal estimates discussed above.

In retrospect, however, with the benefit of historical hindsight, these items are astonishing in the persistence of a number of conclusions which proved to be wrong. Thus, CIA seemed to regard the alleged Soviet and Chinese fear of "general war" as the all-important factor of restraint against intervention in Korea. CIA consistently discounted reports of war conferences and intervention decisions in Peiping between August and October; and repeatedly discounted specific indications of Chinese Communist war preparations and troop movements, up to as late as 3 November. Finally, once intervention was actually accomplished in November, CIA tended to regard China's moves as largely "defensive" and based on its fears for the

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Yalu hydroelectric area; and predicted that the Chinese might soon withdraw.

Digests of CIA's current intelligence reporting on Communist China and Korea, September - November 1950, are appended below. (See Exhibits O and P.)

19. The Chinese Communist intervention issue was also treated in another CIA publication -- the Daily Korean Summary (see Appendix B) -- which is surveyed more fully in Exhibit Q. In this publication there are occasional (but less frequent) estimative conclusions on Chinese Communist intentions in North Korea, together with numerous on-the-spot indications of CHICOM troop movements and actions quoted (usually without CIA comment) from estimates by US Embassy Seoul, by UN Command Headquarters in Tokyo, Far East Command Headquarters, 8th Army Headquarters, and the various US Corps operating in that area. While the latter four military echelons sometimes appear to be disagreeing with each other, their conclusions (in the Daily Korean Summary) are not in general inconsistent with estimates (see Exhibits A-O).

20. Relevant reports, totalling more than 500, were collected by CIA from its own sources, during the critical period July-November 1950. (See Exhibit R, "Summary of CIA-Collected Information, July-December 1950, bearing on Communist China's Intentions in Korea.") Figuring in this broad coverage by CIA were the following: OO/C's contacts (some of them



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OC/FDD's extensive analysis of Far Eastern newspapers and other public media (some with a Communist slant and others oriented to the West); and finally (and most numerous) OSC's reports from clandestine sources. All of these items of information added up to a variety of military, economic, and political indications of Chinese moves -- including moves which today, in retrospect, can be regarded as indications of the coming military intervention.

21. CIA's record of reporting and estimating on the threat of Chinese intervention was drawn into public controversy, in the Senate and the press, between April and June 1951, in connection with President Truman's dismissal of General MacArthur. While only one of the three DCI's involved (Admiral Hillenkoetter) was prevailed on to comment publicly on CIA's record, the heads of the two major IAC agencies (the Secretaries of State and Defense) were each questioned at some length in the Senate hearings. General MacArthur and members of his immediate staff also commented at length, both in 1951 and in subsequent memoirs published on MacArthur's behalf in 1954 and 1955. President Truman was also drawn into the controversy.

While Admiral Hillenkoetter and President Truman could not recall that CIA had disseminated any advance intelligence indications of the Chinese threat, it is clear, from the comments by the other principals, that both CIA and the several IAC agencies, together with MacArthur's command in the Far East, were collecting and exchanging a variety of intervention indications well before the overt attack was launched. Conversely, it seems clear from the public record that CIA, the several

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IAC agencies, and MacArthur's command were all in essential agreement, in the considered estimates which each produced, that intervention would not come. It is less clear, however, from the record of the public controversy, what prompted these negative conclusions in the face of these positive indications.